
**Louisiana State Board of
Practical Nurse Examiners
Department of Health and Hospitals
State of Louisiana**

Financial Statements
June 30, 2014

Louisiana State Board of Practical Nurse Examiners
Department of Health and Hospitals
State of Louisiana
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Independent Auditors' Report

To the Board Members of the
Louisiana State Board of Practical Nurse Examiners
Department of Health and Hospitals

We have audited the accompanying financial statements of the business-type activities of the Louisiana State Board of Practical Nurse Examiners, a component unit of the State of Louisiana, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Louisiana State Board of Practical Nurse Examiners basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of Louisiana State Board of Practical Nurse Examiners, as of June 30, 2014, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

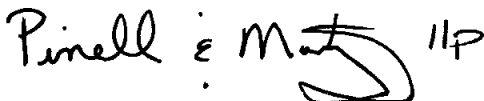
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on page 3 through 6, the Schedule of Budgetary Comparison on page 22, and the Schedule of Funding Progress for the OPEB Plan on page 23 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

The accompanying Annual Financial Report, as required by the Louisiana Division of Administration is presented for the purpose of additional analysis and is not a required part of the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 22, 2014, on our consideration of the Louisiana State Board of Practical Nurse Examiners internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Louisiana State Board of Practical Nurse Examiners internal control over financial reporting and compliance.



Covington, Louisiana
August 22, 2014

Management's Discussion and Analysis

Louisiana State Board of Practical Nurse Examiners

Department of Health and Hospitals

Management's Discussion and Analysis

Introduction

Management's Discussion and Analysis of the Louisiana State Board of Practical Nurse Examiners' (the "Board") financial performance presents a narrative overview and analysis of the Board's financial activities for the year ended June 30, 2014. This document focuses on the current year's activities, resulting changes, and currently known facts in comparison with the prior year's information. Please read this document in conjunction with the additional information contained in the Board's financial statements, which begin at page 7.

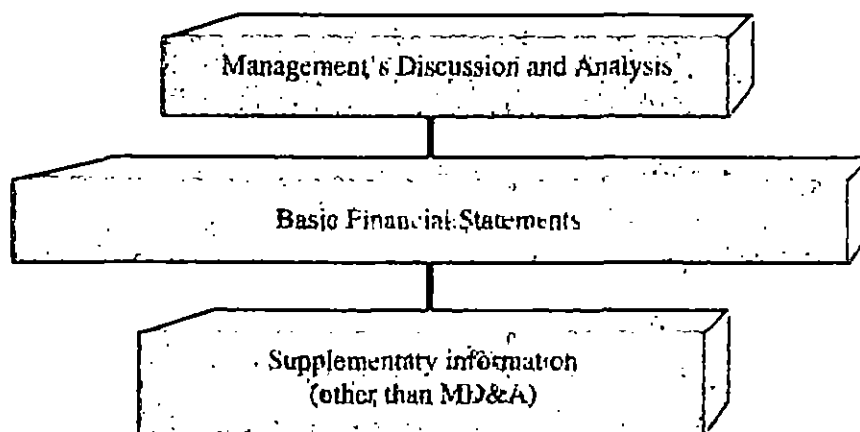
Financial Highlights

The Board's assets exceeded its liabilities at the close of fiscal year 2014 by \$1,517,698 which represents a 7% increase from last fiscal year. The Board's net position increased by \$102,235.

The Board's operating revenue increased by \$19,981, or 1.18%, and the net results from operating activities decreased by \$157,958, or 62.5%.

Overview of the Financial Statements

The following graphic illustrates the minimum requirements for government entities engaged in business-type activities established by Governmental Accounting Standards Board.



These financial statements consist of two sections - Management's Discussion and Analysis (this section), and the basic financial statements (including the notes to the financial statements). This report also contains supplementary information in addition to the basic financial statements.

Louisiana State Board of Practical Nurse Examiners

Department of Health and Hospitals

Management's Discussion and Analysis

The Board's activities are reported in a single proprietary fund. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Board, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The Board's financial statements are prepared on an accrual basis in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. Under this basis of accounting, revenues are recognized in the period in which they are earned, expenses are recognized in the period in which they are incurred.

Basic Financial Statement

The basic financial statements present information for the Board as a whole, in a format designed to make the statements easier for the reader to understand. The statements in this section include the Statement of Net Position; the Statement of Revenues, Expenses, and Changes in Net Position; and the Statement of Cash Flows.

Statement of Net Position

This statement presents the current and long-term portions of assets and liabilities separately. The difference between total assets and total liabilities is net assets and may provide a useful indicator of whether the financial position of the Board is improving or deteriorating.

Statement of Revenues, Expenses, and Changes in Net Position

This statement presents information showing how the Board's assets changed as a result of current year operations. Regardless of when cash is affected, all changes in net assets are reported when the underlying transactions occur. As a result, there are transactions included that will not affect cash until future fiscal periods.

Statement of Cash Flows

This statement presents information showing how the Board's cash changed as a result of current year operations. The cash flow statement is prepared using the direct method and includes the reconciliation of operating income(loss) to net cash provided(used) by operating activities (indirect method) as required by GASB 34.

Louisiana State Board of Practical Nurse Examiners
Department of Health and Hospitals
Management's Discussion and Analysis

Financial Analysis of the Entity

The condensed statements of net position consist of the following at June 30:

	<u>2014</u>	<u>2013</u>	<u>Variance</u>	<u>% Variance</u>
Assets				
Current assets	\$ 2,040,945	\$ 1,851,831	\$ 189,114	10.21%
Noncurrent assets	<u>43,485</u>	<u>59,762</u>	<u>(16,277)</u>	<u>-27.24%</u>
	<u>\$ 2,084,430</u>	<u>\$ 1,911,593</u>	<u>\$ 172,837</u>	<u>9.04%</u>
Liabilities				
Current liabilities	\$ 50,621	\$ 41,231	\$ 9,390	22.77%
Noncurrent liabilities	<u>516,111</u>	<u>454,899</u>	<u>61,212</u>	<u>13.46%</u>
	<u>566,732</u>	<u>496,130</u>	<u>70,602</u>	<u>14.23%</u>
Net Position				
Net investment in capital assets	43,485	59,762	(16,277)	-27.24%
Unrestricted	<u>1,474,213</u>	<u>1,355,701</u>	<u>118,512</u>	<u>8.74%</u>
	<u>1,517,698</u>	<u>1,415,463</u>	<u>102,235</u>	<u>7.22%</u>
	<u>\$ 2,084,430</u>	<u>\$ 1,911,593</u>	<u>\$ 172,837</u>	<u>9.04%</u>

Restricted net position represents those assets that are not available for spending as a result of legislative requirements, donor agreements, or grant requirements. Conversely, unrestricted net assets are those that do not have any limitations on how these amounts may be spent.

Current assets increased by \$189,144 or 10.21% from June 30, 2013 to June 30, 2014. The primary reason for the change is an increase in certificates of deposit.

The condensed statements of revenues, expenses, and changes in net position consist of the following for the years ended June 30:

	<u>2014</u>	<u>2013</u>	<u>Variance</u>	<u>% Variance</u>
Operating revenues	\$ 1,719,655	\$ 1,699,674	\$ 19,981	1.18%
Operating expenses	<u>1,624,870</u>	<u>1,446,931</u>	<u>177,939</u>	<u>12.30%</u>
Operating income	94,785	252,743	(157,958)	-62.50%
Non-operating revenues	<u>7,450</u>	<u>5,273</u>	<u>2,177</u>	<u>41.29%</u>
Net increase in net position	<u>\$ 102,235</u>	<u>\$ 258,016</u>	<u>\$ (155,781)</u>	<u>-60.38%</u>

Net position of the Board decreased by \$155,781, or 60%, from June 30, 2013 to June 30, 2014. The primary reason is due to an increase in expenses, primarily payroll and benefits.

Louisiana State Board of Practical Nurse Examiners

Department of Health and Hospitals

Management's Discussion and Analysis

Capital Assets

For the year ended June 30, 2014, the Board had \$43,485 invested in a broad range of capital assets, including furniture, fixtures, computer equipment and computer software. This amount represents a net decrease (including additions and deductions) of \$16,277 or 27% from last fiscal year.

Variations Between Original and Final Budgets

Revenues were \$37,795 over budget and expenditures were less than budget by \$56,601.

Economic Factors and Next Year's Budgets and Rates

The Louisiana State Board of Practical Nurse Examiners' elected and appointed officials considered the following factors and indicators when setting next year's budget, rates, and fees:

- There has been a significant increase in the number of cases in which administrative hearings are necessary.
- The Louisiana State Board of Practical Nurse Examiners anticipates an increase in revenue generated by a proposed increase in renewal fees. This proposed increase will help to offset the predicted reduction in revenue associated with the proposed rise in the minimum standards of placement tests taken prior to entering the practical nursing program. The increase will help to offset operation issues and process improvements needed to successfully update and implement much needed changes in the day to day operations of the agency. This increase will impact the Board's ability to accomplish its mission to protect and serve the citizens of Louisiana.

Contacting the Board's Management

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the Louisiana State Board of Practical Nurse Examiners' finances and to show the Louisiana State Board of Practical Nurse Examiners' accountability for the money it receives. If you have questions about this report or need additional financial information, contact Lynn Ansardi, Executive Director, at (504) 838-5791.

Financial Statements

Louisiana State Board of Practical Nurse Examiners
Department of Health and Hospitals
Statement of Net Position
June 30, 2014

ASSETS

Current Assets

Cash and cash equivalents	\$	205,199
Certificates of deposit		1,831,986
Interest receivable		3,760
		<u>2,040,945</u>

Noncurrent Assets

Property and equipment, net		43,485
		<u>43,485</u>
	\$	<u><u>2,084,430</u></u>

LIABILITIES AND NET POSITION

Current Liabilities

Accounts payable	\$	25,077
Accrued payroll expenses		25,544
		<u>50,621</u>

Noncurrent Liabilities

Accrued compensated absences		72,628
Other postemployment benefits obligation		443,483
		<u>516,111</u>
		<u>566,732</u>

Net Position

Net investment in capital assets		43,485
Unrestricted		1,474,213
		<u>1,517,698</u>
	\$	<u><u>2,084,430</u></u>

Louisiana State Board of Practical Nurse Examiners
Department of Health and Hospitals
Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended June 30, 2014

Operating Revenues

Licenses	\$ 1,609,910
Enforcement actions	98,440
Sales of commodities and services	11,062
Other	243
	<u>1,719,655</u>

Operating Expenses

Commissioners per diem	18,833
Salaries	794,348
Employee benefits	391,741
Travel	15,723
Operating services	257,993
Supplies	16,907
Professional services	113,048
Depreciation expense	16,277
	<u>1,624,870</u>
Operating income	<u>94,785</u>

Other Revenue

Interest income	<u>7,450</u>
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Increase in net position	102,235
Net position, beginning of year	<u>1,415,463</u>
Net position, end of year	<u><u>\$ 1,517,698</u></u>

Louisiana State Board of Practical Nurse Examiners
Department of Health and Hospitals
Statement of Cash Flows
For the Year Ended June 30, 2014

Cash Flows From Operating Activities

Receipts:

Payments from customers	\$ 1,719,655
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Disbursements:

Payments to suppliers for goods and services	(399,504)
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Payments to personnel for services	(1,138,487)
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	(1,537,991)
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Net cash provided by operating activities	181,664
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Cash Flows From Investing Activities

Proceeds from certificates of deposit	2,546,203
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Additions to certificates of deposit	(2,696,353)
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Interest on investments	5,953
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Net cash used in investing activities	(144,197)
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Increase in cash and cash equivalents	37,467
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Cash and cash equivalents, beginning balance	167,732
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Cash and cash equivalents, ending balance	\$ 205,199
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Reconciliation of Operating Income to

Net Cash Flows from Operating Activities

Operating income	\$ 94,785
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Adjustments to reconcile operating income to net cash:

Depreciation	16,277
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Change in:

Accounts payable	4,167
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Payroll liabilities	5,223
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Accrued compensated absences	13,140
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Other postemployment benefits obligation	48,072
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Net cash provided by operating activities	\$ 181,664
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Louisiana State Board of Practical Nurse Examiners

Department of Health and Hospitals

Notes to Financial Statements

1. History and Summary of Significant Accounting Policies

Nature of Operations

The Louisiana State Board of Practical Nurse Examiners (the "Board") was created by the Louisiana State Legislature under the provisions of Louisiana Revised Statute 37:962. The Board is under the control of the Department of Health and Hospitals and is a component unit of the State of Louisiana and an integral part of such reporting entity. The Board is composed of thirteen (13) members appointed by the Governor of Louisiana for a term of six years. The Board elects from its members a president, vice president and such other officers as it considers necessary to carry out the duties and functions of the Board.

As authorized by Louisiana Revised Statute 37:914 E., each member of the Board shall receive \$75.00 a day and reimbursement for actual expenses and mileage at the same rate set by the Division of Administration for state employees under the provisions of R.S. 39:231 for each day in actual attendance at board meetings or for representing the board in an official board-approved activity.

The Board is charged with the responsibility of licensing and regulating practical nurses in the State of Louisiana.

The Board's office is located in Metairie, Louisiana, and employs 13 classified and 1 unclassified employees. The Board's operations are funded entirely through annual self-generated revenues.

Financial Reporting Entity

GASB Statement No. 14, (*The Financial Reporting Entity*) has defined the governmental reporting entity to be the State of Louisiana. The Louisiana State Board of Practical Nurse Examiners is considered a component unit of the State of Louisiana because the state exercises oversight responsibility in that the governor appoints the board members, and public service is rendered within the state's boundaries. The accompanying basic financial statements present information only as to the transactions of the Louisiana State Board of Practical Nurse Examiners.

Annually the State of Louisiana issues a basic financial statement which includes the activity contained in the accompanying financial statement. The basic financial statement is issued by the Louisiana Division of Administration – Office of Statewide Reporting and Accounting Policy and audited by the Louisiana Legislative Auditor.

Financial Statement Presentation

Proprietary Fund Financial Statements include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Net Position, and a Statement of Cash Flows for each major proprietary fund. Proprietary funds are accounted for using the "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or noncurrent) are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Net Position presents increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

Louisiana State Board of Practical Nurse Examiners

Department of Health and Hospitals

Notes to Financial Statements

Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

Net Position

The Board has implemented GASB No. 63, (*Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*), effective for the 2014 fiscal year. This standard provides guidance for reporting the financial statement elements of deferred outflows of resources and deferred inflows of resources. Deferred outflows represent the consumption of the government's resources that is applicable to a future reporting period. A deferred inflow represents the acquisition of resources that is applicable to a future reporting period.

Because deferred outflows and deferred inflows are, by definition, neither assets nor liabilities, the statement of net assets title is now referred to as the Statement of Net Position. The Statement of Net Position reports net position as the difference between all other elements in a statement of net position and should be displayed in three components—net investment in capital assets, restricted net position (distinguishing between major categories of restrictions), and unrestricted net position.

- Net Investment in Capital Assets - Consists of capital assets including restricted capital assets net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets
- Restricted - Consists of amounts with constraints placed on the use by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation
- Unrestricted - All other amounts that do not meet the definition of "restricted" or "net investment in capital assets"

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

For the purpose of the Statement of Net Position and Statement of Cash Flows, cash and cash equivalents include all demand, savings accounts, and certificates of deposits of the Board with an original maturity of 90 days or less.

Receivables

Receivables consist of all revenues earned at year-end and not yet received. Material receivables include accruals for licenses and interest which are accrued when earned.

Louisiana State Board of Practical Nurse Examiners

Department of Health and Hospitals

Notes to Financial Statements

Fair Value of Financial Instruments

The Board's financial instruments, none of which are held for trading purposes, include cash and certificates of deposit. The carrying amounts reported in the Statement of Financial Position are stated at costs which approximate fair value.

Property and Equipment

Proprietary fund fixed assets are accounted for as capital assets. Capital assets purchased or acquired with an original cost or donated value of \$1,000 or more are recorded at historical cost, or estimated historical cost. Donated fixed assets are recorded at their estimated fair value at the date of donation.

Depreciation

Depreciation of all exhaustible fixed assets is recorded as an allocated expense in the Statement of Revenues, Expenses, and Changes in Net Position, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Equipment	5-7 years
Computer Software	3 years

Compensated Absences

Employees of the Board earn and accumulate vacation and sick leave at varying rates, depending upon their years of service. The amount of vacation and sick leave that may be accumulated by each employee is unlimited. Upon termination, employees or their heirs are compensated for up to 300 hours of unused vacation leave at the employee's hourly rate of pay at the time of termination. Upon retirement, unused vacation leave in excess of 300 hours plus unused sick leave are used to compute retirement benefits.

The liability for these compensated absences is recorded as long-term debt in the Statement of Net Position. The current portion of this debt cannot be reasonably estimated and accordingly, it is not reported.

Revenues and Expenses

Operating revenues and expenses for proprietary funds are those that result from providing services and producing and delivering goods and or services. It also includes all revenue and expenses not related to capital and related financing, noncapital financing, or investing activities.

2. Stewardship, Compliance, and Accountability

By its nature as a state agency, the Board is subject to various state laws and regulations. An analysis of the Board's compliance with significant laws and regulations and demonstration of its stewardship over Board resources follows.

Fund Accounting Requirements

The Board complies with all state laws and regulations requiring the use of separate funds. The Board has no legally required separate fund.

Louisiana State Board of Practical Nurse Examiners
Department of Health and Hospitals
Notes to Financial Statements

Deposits and Investments Laws and Regulations

In accordance with state law, all uninsured deposits of the Board in financial institutions must be secured with acceptable collateral valued at the lower of market or par. Acceptable collateral includes certain U.S. Government or Government Agency securities, certain State of Louisiana or political subdivision debt obligations, or surety bonds. As required by 12 U.S.C.A., Section 1823(e), all financial institutions pledging collateral to the Board must have a written collateral agreement approved by the board of directors or loan committee. As reflected in Note 3, all deposits were fully insured or collateralized. Investments are limited by R.S. 49:327 and the Board's investment policy.

3. Deposits with Financial Institutions

For reporting purposes, deposits with financial institutions include savings, demand deposits, time deposits, and certificates of deposit. Under state law the Board may deposit funds within a fiscal agent bank selected and designated by the Interim Emergency Board. Further, the Board may invest in time certificates of deposit in any bank domiciled or having a branch office in the state of Louisiana; in savings accounts or shares of savings and loan associations and savings banks, and in share accounts and share certificate accounts of federally or state chartered credit unions.

Deposits in bank accounts are stated at cost, which approximates market. Under state law these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These pledged securities are held in the name of the pledging fiscal agent bank in a holding custodial bank in the form of safekeeping receipts.

GASB Statement 40, which amended GASB Statement 3, eliminated the requirement to disclose all deposits by three categories of risk. GASB Statement 40 requires only the disclosure of deposits that are considered to be exposed to custodial credit risk. An entity's deposits are exposed to custodial credit risk if the deposit balances are either: (1) uninsured and uncollateralized, (2) uninsured and collateralized with securities held by the pledging financial institution, or (3) uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the entity's name.

Louisiana State Board of Practical Nurse Examiners
Department of Health and Hospitals
Notes to Financial Statements

The Board's total cash and certificates of deposit at June 30, 2014 totaled:

	Cash	Certificates of Deposit	Total
Deposits per statement of net position (reconciled bank balance)	<u>\$ 205,199</u>	<u>\$ 1,831,986</u>	<u>\$ 2,037,185</u>
Category 3 bank balances:			
Uninsured and uncollateralized	-	-	-
Uninsured and collateralized with securities held by the pledging institution's trust department or agent, in the Board's name	-	-	-
Uninsured and collateralized with securities held by the pledging institution's trust department or agent, but not in the Board's name	-	69,116	69,116
	<u>\$ -</u>	<u>\$ 69,116</u>	<u>\$ 69,116</u>

Custodial Deposit Risk

In the case of deposits, this is the risk that in the event of a bank failure, the deposits may not be returned. As of June 30, 2014, \$69,116 of the Board's bank balance of \$2,076,287 was exposed to custodial credit risk because the deposits were uninsured and collateralized with securities held by the pledging institution's trust department or agent but not in the Board's name.

4. Property and Equipment

Property and equipment consists of the following at June 30, 2014:

	Balance 06/30/13	Additions	Deletions	Balance 06/30/14
Equipment	\$ 185,387	\$ -	\$ -	\$ 185,387
Computer Software	19,410	-	-	19,410
	204,797	-	-	204,797
Accumulated depreciation	(145,035)	(16,277)	-	(161,312)
	<u>\$ 59,762</u>	<u>\$ (16,277)</u>	<u>\$ -</u>	<u>\$ 43,485</u>

Depreciation expense for the year ended June 30, 2014 was \$16,277.

Louisiana State Board of Practical Nurse Examiners
Department of Health and Hospitals
Notes to Financial Statements

5. Noncurrent Liabilities

The following is a summary of changes in noncurrent liabilities for the year ended June 30, 2014:

Type of Debt	Balance June 30, 2013	Additions	Deductions	Balance June 30, 2014
Other postemployment benefits obligation	\$ 395,411	\$ 81,100	\$ (33,028)	\$ 443,483
Accrued compensated absences	59,488	48,020	(34,880)	72,628
Total noncurrent liabilities	<u>\$ 454,899</u>	<u>\$ 129,120</u>	<u>\$ (67,908)</u>	<u>\$ 516,111</u>

6. Operating Lease

The Board entered into a 5 year lease for office space. The terms of the lease require payments of \$8,575 for sixty months ending on April 1, 2019.

Future minimum lease payments under this operating lease are as follows:

For the Year Ended June 30:	
2015	\$ 102,906
2016	102,906
2017	102,906
2018	102,906
2019	<u>84,897</u>
Total minimum lease payments	<u>\$ 496,521</u>

7. Retirement Plan

Substantially all of the employees of the Board are members of the Louisiana State Employees Retirement System (the "System"), a cost sharing, multiple-employer, defined benefit public employee retirement system (PERS) controlled and administered by a separate board of trustees.

All full time employees are eligible to participate in the System. Benefits vest with ten years of service. At retirement age, employees are entitled to annual benefits equal to \$300 plus 2.5% of their highest consecutive 36 month average salary multiplied by their years of credited service.

Louisiana State Board of Practical Nurse Examiners
Department of Health and Hospitals
Notes to Financial Statements

Vested employees are entitled to a retirement benefit, payable monthly for life at (a) any age with thirty years of service, (b) age 55 with twenty-five years of service, and (c) at age sixty with ten years of service. In addition, vested employees have the option of reduced benefits at any age with twenty years of service. The System also provides death and disability benefits. Benefits are established by state statute. The system issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Louisiana State Employees' Retirement System; P. O. Box 44213; Baton Rouge, LA 70804 or by calling (800)256-3000.

Members are required by state statute to contribute at 7.5% of gross salary. Act 75 of the 2005 Regular Session increases the member contribution rate from 7.5% to 8% for new members hired after June 30, 2006. The Board is required to contribute at an actuarially determined rate as required by R.S. 11:102. The contribution rate for the fiscal year ended June 30, 2014, increased to 31.3% of annual covered payroll from the 29.10% and 25.6% required in fiscal years ended June 30, 2013 and 2012 respectively. The board contribution to the System for the years ending June 30, 2014, 2013, and 2012 are \$216,198, \$185,198, and \$181,900 respectively, equal to the required contributions for that year.

8. Commitments

Litigation

The State of Louisiana, Division of Administration, Office of Risk Management has not reported any cases pending.

Other Matters

The Board is party to routine claims and legal proceedings arising in the ordinary course of business. All such claims are covered by insurance and, in the opinion of management, the outcome of such actions will have no material impact on the Board's financial condition.

9. Other Post-Employment Benefits Plan

Plan Description

The Board's employees may participate in the State of Louisiana's Other Postemployment Benefit Plan (OPEB Plan), an agent multiple-employer defined benefit OPEB Plan that provides medical and life insurance to eligible active employees, retirees and their beneficiaries.

The State administers the OPEB Plan through the Office of Group Benefits. LRS 42:801-883 assigns the authority to establish and amend benefit provisions of the OPEB Plan. The Office of Group Benefits does not issue a publicly available financial report of the OPEB Plan; however, it is included in the State of Louisiana's Comprehensive Annual Financial Report (CAFR). You may obtain a copy of the CAFR on the Office of Statewide Reporting and Accounting Policy's website at www.doa.la.gov/osrap.

Louisiana State Board of Practical Nurse Examiners
Department of Health and Hospitals
Notes to Financial Statements

Funding Policy

The contribution requirements of OPEB Plan members and the Board are established and may be amended by LRS 42:801-883. The OPEB Plan is currently funded on a pay as you go basis through a combination of retiree and Board contributions. Employees do not contribute to their postemployment benefits costs until they become retirees and begin receiving those benefits. The retirees contribute to the cost of retiree healthcare based on a service schedule. Contribution amounts vary depending on what healthcare provider is selected from the OPEB Plan and if the member has Medicare coverage. The Office of Group Benefits (OGB) offers three standard healthcare plans for both active and retired employees: the Preferred Provider Organization (PPO) Plan, the Health Maintenance Organization (HMO) Plan, and the Regional and Medical Home HMO Plan (MHHP).

Retired employees who have Medicare Part A and Part B coverage also have access to five OGB Medicare supplemental plans.

The following is a summary of OPEB Plan provisions:

Employees with an OGB medical participation start (or re-start) date after December 31, 2001 pay a percentage of the total retiree contribution rate based on the following schedule:

<u>Service</u>	<u>Employer Percentage</u>	<u>Employee Percentage</u>
Under 10 years	19%	81%
10-14 years	38%	62%
15-19 years	56%	44%
20+ years	75%	25%

Total monthly per capita premium equivalent rates for the year ended June 30, 2014 were as follows:

	<u>PPO</u>	<u>HMO</u>
Single Active	\$ 565.72	\$ 534.48
Retired without Medicare		
Single	\$ 1,052.52	\$ 997.52
With Spouse	\$ 1,858.56	\$ 1,761.32
Retired with 1 Medicare		
Single	\$ 342.28	\$ 330.00
With Spouse	\$ 1,264.60	\$ 1,206.08
Retired with 2 Medicare		
With Spouse	\$ 615.24	\$ 591.56

All members who retire on or after July 1, 1997 must have Medicare Parts A and B in order to qualify for the reduced premium rates.

Louisiana State Board of Practical Nurse Examiners
Department of Health and Hospitals
Notes to Financial Statements

The 2014 monthly premium rates for Medicare Supplement Plans are:

	<u>1 Medicare</u>	<u>2 Medicare</u>
Peoples Health HMO	\$ 251.00	\$ 502.00
Vantage HMO	\$ 150.62	\$ 301.22

OGB also provides eligible retirees Basic Term Life Insurance in the following amounts:

	<u>Amount</u>
Under age 65	\$ 5,000
Ages 65-70	\$ 4,000
After age 70	\$ 3,000

Additional supplemental life insurance based on pay at retirement is available. Spouse life insurance amounts of \$1,000, \$2,000 or \$4,000 are available. Retirees pay \$0.54 for each \$1,000 of life insurance coverage and \$0.98 for each \$1,000 of spouse life insurance coverage.

Annual OPEB Cost and Net OPEB Obligation

The Board's Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB 45. The ARC represents a level of funding that, if paid on an ongoing basis, would cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years. A level percentage of payroll amortization method, open period, was used. The total ARC for the fiscal year beginning July 1, 2013 is \$80,400.

The following table presents the Board's OPEB Obligation for the fiscal year 2014:

Beginning net OPEB obligation at July 1, 2013	\$ 395,411
Annual required contribution	80,400
Interest on NOO	15,800
ARC adjustment	(15,100)
OPEB cost	<u>81,100</u>
Less contributions made	33,028
Claims cost	<u>-</u>
Ending net OPEB obligation at June 30, 2014	<u><u>\$ 443,483</u></u>

Louisiana State Board of Practical Nurse Examiners
Department of Health and Hospitals
Notes to Financial Statements

The following table shows the Board's annual post-employment benefits cost, percentage of the cost contributed, and the net unfunded post-employment benefits liability (asset):

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual Cost Contributed	Net OPEB Obligation
6/30/2012	\$ 75,600	63%	\$ 369,615
6/30/2013	\$ 75,800	66%	\$ 395,411
6/30/2014	\$ 81,100	41%	\$ 443,483

Utilizing the pay-as-you-go method, the Board contributed 41% of the annual post-employment benefits costs during 2014.

Funded Status and Funding Progress

In the year ended June 30, 2014, the Board made no contributions to its post-employment benefits plan trust. A trust was established during the year ended June 30, 2008, but was not funded at all, has no assets, and hence has a funded ratio of zero. Since the plan was not funded, the entire actuarial liability of \$1,167,300 was unfunded.

The funded status of the plan as of July 1, 2013, was as follows:

Actuarial accrued liability (AAL)	\$ 1,167,300
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	1,167,300
Funded ratio (actuarial value of plan assets - AAL)	-
Covered payroll (annual payroll of active employees covered by the plan)	432,849
UAAL as a percentage of covered payroll	270%

Actuarial Methods and Assumptions

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Louisiana State Board of Practical Nurse Examiners
Department of Health and Hospitals
Notes to Financial Statements

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial method and assumptions used include techniques that are designed to reduce short-term volatility is actuarial accrued liabilities consistent with the long-term perspective of the calculations.

In the July 1, 2013, actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4.0 percent investment rate of return (net of administrative expenses) and initial annual healthcare cost trend rate of 8% and 6% for pre-Medicare and Medicare eligibles, respectively, scaling down to ultimate rates of 4.5% per year. The Board's unfunded actuarial accrued liability is being amortized as a level percentage of payroll on an open basis. The remaining amortization period at June 30, 2014 was sixteen years.

Deferred Compensation Plan

Certain employees of the Board participate in the Louisiana Deferred Compensation Plan adopted under the provisions of Internal Revenue Code Section 457. Complete disclosures relating to this statewide plan are available in the financial statements of the State of Louisiana.

10. Risk Management

The Board is exposed to various risks of loss related to torts; theft of damage to, and destruction of assets; errors and omissions, injuries to employees; employee health and life; and natural disasters.

The Board manages these various risks of loss as follows:

Type of Loss	Method Managed	Risk Retained
Torts, errors and omissions	Purchased insurance with Louisiana Office of Risk Control Management public entity risk pool	None
Injuries to employees (workers' compensation)	Participates in Louisiana Office of Risk Management public entity risk pool	None
Physical property loss and natural disasters	Purchased insurance with Louisiana Office of Risk Management public entity risk pool	None
Health and Life	Participates in Louisiana Office of Group Benefits Plan	None

Louisiana State Board of Practical Nurse Examiners
Department of Health and Hospitals
Notes to Financial Statements

Management believes such coverage is sufficient to preclude any significant uninsured losses to the Board. Settled claims have not exceeded this insurance coverage in any of the past three fiscal years.

Public Entity Risk Pool

The Board participates in the Louisiana State Office of Risk Management (public entity risk pool), which is responsible for negotiating, compromising and settling all claims including all tort claims against the Board.

11. Compensation Paid to Board Members

The schedule of per diem payments to Board Members is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. As authorized by Louisiana Revised Statute 32:772, each member of the Board shall be reimbursed when actually in attendance at a board meeting or when required to travel for the official authorized business of the Board, and such reimbursement shall not exceed \$75.00 per day.

Commissioner	Meetings and Official Business	Amount
Arshad, Kaleem	4	\$ 300
Campanella, Brent	4	300
Chancellor, Ruby	-	-
Collins, Myron	6	15,458
Connelley, Roberta	9	675
Daigre, Kellie	1	75
Dunn, Gwendolyn	6	450
Fulmer, Bobby	2	150
Juneau, Patricia	-	-
Melancon, Candace	4	300
Prince, Alberta	6	450
Roy, Kennison	3	225
Suleman, Mohammad	4	300
Morson, Andrew	1	75
Gibbs, Barbara	2	150
	<u>252</u>	<u>\$ 18,908</u>

12. Subsequent Events

Management has evaluated subsequent events through August 22, 2014, which is the date the financial statements were available to be issued.

Required Supplementary Information

Louisiana State Board of Practical Nurse Examiners
Department of Health and Hospitals
Schedule of Budgetary Comparison
For the Year Ended June 30, 2014

	Original Budget	Final Budget	Actual Amounts Budgetary Basis	Variance Favorable (Unfavorable)
Revenues				
License	\$ 1,600,200	\$ 1,592,941	\$ 1,609,910	\$ 16,969
Enforcement actions	128,000	91,000	98,440	7,440
Sales of commodities and services	-	-	11,062	11,062
Other	2,000	225	243	18
Interest income	10,200	5,144	7,450	2,306
	<u>1,740,400</u>	<u>1,689,310</u>	<u>1,727,105</u>	<u>37,795</u>
Expenses				
Personal services and benefits	1,414,688	1,288,198	1,204,922	83,276
Travel	40,000	17,300	15,723	1,577
Operating services	248,000	249,423	257,993	(8,570)
Supplies	20,000	15,000	16,907	(1,907)
Professional services	200,000	111,550	113,048	(1,498)
Depreciation expense	30,000	-	16,277	(16,277)
	<u>1,952,688</u>	<u>1,681,471</u>	<u>1,624,870</u>	<u>56,601</u>
Increase(decrease) in net position	(212,288)	7,839	102,235	94,396
Net position, beginning of year	<u>1,415,463</u>	<u>1,415,463</u>	<u>1,415,463</u>	
Net position, end of year	<u>\$ 1,203,175</u>	<u>\$ 1,423,302</u>	<u>\$ 1,517,698</u>	

See independent auditors' report.

Louisiana State Board of Practical Nurse Examiners
Department of Health and Hospitals
Schedule of Funding Progress for OPEB Plan
For the Year Ended June 30, 2014

<u>Date of the Actuarial Valuation</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) (b)</u>	<u>Unfunded AAL (UAAL) (b - a)</u>	<u>Funded Ratio (a / b)</u>	<u>Covered Payroll (c)</u>	<u>UAAL as a % of Covered Payroll [(b - a) / c]</u>
July 1, 2013	\$ -	\$ 1,167,300	\$ 1,167,300	\$ -	\$ 432,849	270%
July 1, 2012	-	1,126,100	1,126,100	-	562,700	200%
July 1, 2011	-	1,019,700	1,019,700	-	547,000	186%

See independent auditors' report.

Other Required Reports

**Independent Auditors' Report on Internal Control over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements
Performed in
Accordance with *Government Auditing Standards***

To the Board Members of the
Louisiana State Board of Practical Nurse Examiners
Department of Health and Hospitals

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Louisiana State Board of Practical Nurse Examiners, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise Louisiana State Board of Practical Nurse Examiners' basic financial statements, and have issued our report thereon dated August 22, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Louisiana State Board of Practical Nurse Examiners' internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Louisiana State Board of Practical Nurse Examiners' internal control. Accordingly, we do not express an opinion on the effectiveness of the Louisiana State Board of Practical Nurse Examiners' internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

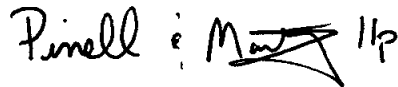
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Louisiana State Board of Practical Nurse Examiners financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

 Pinell E. Martinez 1/2

Covington, Louisiana
August 22, 2014

Louisiana State Board of Practical Nurse Examiners
Department of Health and Hospitals
Schedule of Findings
For the Year Ended June 30, 2014

A. Summary of Auditors' Reports

a. Financial Statements

Type of auditors' report issued: Unmodified

b. Internal control over financial reporting:

Material weaknesses identified _____ yes _____ ☒ none noted

Significant deficiencies identified not
considered to be material weaknesses _____ yes _____ ☒ none noted

c. Noncompliance material to financial
statements noted

_____ yes _____ ☒ none noted

B. Findings in Accordance with *Government Auditing Standards*

NONE

Louisiana State Board of Practical Nurse Examiners
Department of Health and Hospitals
Schedule of Prior Year Findings
For the Year Ended June 30, 2014

A. Findings in Accordance with *Government Auditing Standards*

2013-1 Budget Amending

Condition:	Inspection of documentation supporting the adoption of budget amendments during the year indicated that the Joint Legislative Committee on the Budget (JLCB) did not receive prior written notification of any planned increase or decrease constituting 5% or more of the total dollars in the originally submitted budget.
Criteria:	According to LA R.S. 39:1338(B), the JLCB shall receive prior written notification of any planned increase or decrease constituting 5% or more of the total dollars in the originally submitted budget.
Effect:	Violation of Louisiana Revised Statute 39:1338(B)
Cause:	Administrative lack of oversight.
Recommendation:	The Board's management should ensure that all budget amendments be properly communicated in accordance with the rules as outlined in LA R.S. 39:1338.
Management's Response and Corrective Action Plan:	The Board's management agrees to the recommendations of the Auditor. The Board's management will develop a formalized process to ensure communication of budget amendments in accordance with LA R.S. 39:1338.
Resolution:	Corrective action was taken by the Board.

Schedule Number

STATE OF LOUISIANA
Annual Financial Statements
Fiscal Year Ended June 30, 2014

Louisiana State Board of Practical Nurse Examiners
131 Airline Drive, Suite 301
Metairie, LA 70001

Division of Administration
Office of Statewide Reporting
and Accounting Policy
P. O. Box 94095

Baton Rouge, Louisiana 70804-9095

Physical Address:
1201 N. Third Street
Claiborne Building, 6th Floor, Suite 6-130
Baton Rouge, Louisiana 70802

Legislative Auditor
P. O. Box 94397
Baton Rouge, Louisiana 70804-9397

LLAFileroom@lla.la.gov.

Physical Address:
1600 N. Third Street
Baton Rouge, Louisiana 70802

AFFIDAVIT

Personally came and appeared before the undersigned authority, Lynn Ansardi, Executive Director of the Louisiana State Board of Practical Nurse Examiner, who duly sworn, deposes and says, that the financial statements herewith given present fairly the financial position of the Louisiana State Board of Practical Nurse Examiners at June 30, 2014 and the results of operations for the year then ended in accordance with policies and practices established by the Division of Administration or in accordance with Generally Accepted Accounting Principles as prescribed by the Governmental Accounting Standards Board. Sworn and subscribed before me, this

27th day of August, 2014.

M. Lynn Ansardi
Signature of Agency Official

Jerry W Sullivan
NOTARY PUBLIC
Jerry W Sullivan
Notary No. 14677

Prepared by: Lynn Ansardi

Title: Executive Director

Telephone No.: (504) 838-5791

Date: 8/27/14

Email Address: lynn@lsbpne.com

Louisiana State Board of Practical Nurse Examiners
STATE OF LOUISIANA
Annual Financial Statements
June 30, 2014

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Statement of Activities (including Instructions for Simplified Statement of Activities)	C
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**STATE OF LOUISIANA
LOUISIANA STATE BOARD OF PRACTICAL NURSE EXAMINERS
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2014**

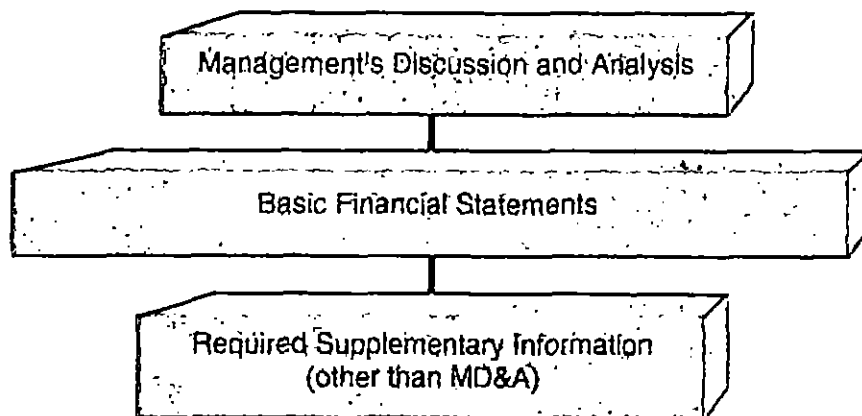
Management's Discussion and Analysis of the Louisiana State Board of Practical Nurse Examiners' financial performance presents a narrative overview and analysis of the Louisiana State Board of Practical Nurse Examiners' financial activities for the year ended June 30, 2014. This document focuses on the current year's activities, resulting changes, and currently known facts in comparison with the prior year's information. Please read this document in conjunction with the additional information contained in the Louisiana State Board of Practical Nurse Examiners' financial statements, which begin at Statement A.

FINANCIAL HIGHLIGHTS

- ★ The Louisiana State Board of Practical Nurse Examiners' assets exceeded its liabilities at the close of fiscal year 2014 by \$1,517,698, which represents a 7.22% increase from last fiscal year. The assets increased by \$172,837.
- ★ The Louisiana State Board of Practical Nurse Examiners' revenue increased \$19,981 (or 1.18%) and the net results from activities decreased by \$157,958 (or 62.5%).

OVERVIEW OF THE FINANCIAL STATEMENTS

The following graphic illustrates the minimum requirements for Special Purpose Governments Engaged in Business-Type Activities established by Governmental Accounting Standards Board Statement 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*.



These financial statements consist of three sections - Management's Discussion and Analysis (this section), the Basic Financial Statements (including the notes to the financial statements), and Required Supplementary Information.

Basic Financial Statements

The basic financial statements present information for the Louisiana State Board of Practical Nurse Examiners as a whole, in a format designed to make the statements easier for the reader to understand. The statements in this section include the Statement of Net Position, the Statement of Revenues, Expenses, and Changes in Net Position, and the Statement of Cash Flows.

STATE OF LOUISIANA
LOUISIANA STATE BOARD OF PRACTICAL NURSE EXAMINERS
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2014

The Statement of Net Position (Statement A) presents assets, deferred outflows of resources, liabilities, and deferred inflows of resources separately. The difference between assets plus deferred outflows and liabilities plus deferred inflows is net position, which may provide a useful indicator of whether the financial position of the Louisiana State Board of Practical Nurse Examiners is improving or deteriorating.

The Statement of Revenues, Expenses, and Changes in Net Position (Statement B) presents information showing how the Louisiana State Board of Practical Nurse Examiners' assets changed as a result of current year operations. Regardless of when cash is affected, all changes in net position are reported when the underlying transactions occur. As a result, there are transactions included that will not affect cash until future fiscal periods.

The Statement of Cash Flows (Statement D) presents information showing how the Louisiana State Board of Practical Nurse Examiners' cash changed as a result of current year operations. The cash flow statement is prepared using the direct method and includes the reconciliation of operating income (loss) to net cash provided (used) by operating activities (indirect method) as required by GASB Statement 34.

FINANCIAL ANALYSIS OF THE ENTITY

Statement of Net Position as of June 30, 2014		
	Total	
	2014	2013
Current and other assets	\$ 204,945.00	\$ 1,851,831
Capital assets	43,485.00	59,762
Total assets	208,430.00	1,911,593
Total deferred outflows of resources		
Other liabilities	50,621.00	41,231
Long-term debt outstanding	516,111.00	461,899
Total Liabilities	566,732.00	503,130
Total deferred inflows of resources		
Net position		
Net investment in capital assets	43,485.00	59,762
Restricted		
Unrestricted	1,474,213.00	1,356,701
Total net position	\$ 1,517,698.00	\$ 1,416,463

**STATE OF LOUISIANA
LOUISIANA STATE BOARD OF PRACTICAL NURSE EXAMINERS
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2014**

Restricted assets represent those assets that are not available for spending as a result of legislative requirements, donor agreements, or grant requirements. Conversely, unrestricted assets are those that do not have any limitations on how these amounts may be spent.

Assets of the Louisiana State Board of Practical Nurse Examiners' increased by \$172,837, or 9.04%, from June 30, 2013 to June 30, 2014. The primary reason is due to the investment in additional certificates of deposit.

Statement of Revenues, Expenses, and Changes in Net Position for the years ended June 30, 2014		
	Total	
	2014	2013
Operating revenues	\$ 1,719,655	\$ 1,699,674
Operating expenses	1,624,870	1,446,931
Operating income(loss)	94,785	252,743
Non-operating revenues		
Non-operating expenses	7,450	5,273
Income(loss) before transfers	102,235	258,016
Transfers in		
Transfers out		
Net increase(decrease) in net position	\$ 102,235	\$ 258,016

The Louisiana State Board of Practical Nurse Examiners' total revenues increased by \$ 19,981 or 1.18%. The total cost of all programs and services increased by \$177,939 or 12.30%.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year ended June 30, 2014, the Louisiana State Board of Practical Nurse Examiners had \$43,485 invested in a broad range of capital assets, including furniture, fixtures, computer equipment and computer software. This amount represents a net decrease (including additions and deductions) of \$16,277, or 27.24%, over last year.

**STATE OF LOUISIANA
LOUISIANA STATE BOARD OF PRACTICAL NURSE EXAMINERS
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2014**

	<u>2014</u>	<u>2013</u>
Land	\$	\$
Buildings and improvements		
Equipment	43,485	59,762
Infrastructure		
Intangible Assets		
	<u> </u>	<u> </u>
Totals \$	<u>43,485</u>	<u>\$ 59,762</u>

Debt

The Louisiana State Board of Practical Nurse Examiners has claims and judgments of \$-0- outstanding at year-end compared with \$-0- last year. Other obligations include accrued vacation pay and sick leave.

VARIATIONS BETWEEN ORIGINAL AND FINAL BUDGETS

Revenues were approximately \$37,793 over budget and expenditures were less than budget by \$56,605.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Louisiana State Board of Practical Nurse Examiners' elected and appointed officials considered the following factors and indicators when setting next year's budget, rates, and fees:

- There has been a significant increase in the number of cases in which administrative hearings are necessary.
- The Louisiana State Board of Practical Nurse Examiners anticipates an increase in revenue generated by a proposed increase in renewal fees. This proposed increase will help to offset the predicted reduction in revenue associated with the proposed rise in the minimum standards of placement tests taken prior to entering the practical nursing program. The increase will help to offset operation issues and process improvements needed to successfully update and implement much needed changes in the day-to-day operations of the Board. This increase will impact the Board's ability to accomplish its mission to protect and serve the citizens of Louisiana.

CONTACTING THE LOUISIANA STATE BOARD OF PRACTICAL NURSE EXAMINERS' MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the Louisiana State Board of Practical Nurse Examiners' finances and to show the Louisianan State Board of Practical Nurse Examiners' accountability for the money it receives. If you have questions about this report or need additional financial information, contact Lynn Ansardi, Executive Director, at (504) 838-5791.

STATE OF LOUISIANA
LOUISIANA STATE BOARD OF PRACTICAL NURSE EXAMINERS
STATEMENT OF NET POSITION
AS OF JUNE 30, 2014

Statement A

ASSETS

CURRENT ASSETS

Cash and Cash equivalents	\$	205,199
Restricted Cash and Cash Equivalents		
Investments		1,831,986
Derivative Instruments		
Receivables (net of allowance for doubtful accounts)(Note U)		3,760
Due from other funds (Note Y)		
Due from federal government		
Inventories		
Prepayments		
Notes Receivable		
Other Current Assets		
Total current assets		2,040,945

NONCURRENT ASSETS

Restricted assets (Note F):		
Cash		
Investments		
Receivables		
Investments		
Notes Receivable		
Capital assets, net of depreciation (Note D)		
Land non-depreciable easements		
Buildings and improvements		
Machinery and equipment		43,485
Infrastructure		
Intangible assets		
Construction/Development-in-progress		
Other noncurrent assets		
Total noncurrent assets		43,485
Total assets	\$	2,084,430

DEFERRED OUTFLOWS OF RESOURCES

Accumulated decrease in fair value of hedging derivatives	\$	
Deferred amounts on debt refunding		
Adjustments of capital lease obligations		
Grants paid prior to meeting time requirements		
Intra-entity transfer of future revenues (transferee)		
Losses from sale-leaseback transactions		
Direct loan origination costs for mortgage loans held for sale		
Fees paid to permanent investors prior to sale of mortgage loans		
Total deferred outflow of resources	\$	-
Total assets and deferred outflow of resources	\$	2,084,430

LIABILITIES

CURRENT LIABILITIES:

Accounts payable and accruals (Note V)	\$	50621
Derivative instrument		
Due to other funds (Note Y)		
Due to federal government		
Unearned revenues		
Amounts held in custody for others		
Other current liabilities		

STATE OF LOUISIANA
LOUISIANA STATE BOARD OF PRACTICAL NURSE EXAMINERS
STATEMENT OF NET POSITION
AS OF JUNE 30, 2014

Statement A

Liabilities Con't

Current portion of long-term liabilities: (Note K)

Contracts payable	\$	
Compensated absences payable		
Capital lease obligations		
Claims and litigation payable		
Notes payable		
Pollution remediation obligation		
Bonds payable (include unamortized costs)		
Other long-term liabilities		
Total current liabilities		

NONCURRENT LIABILITIES

Contracts payable		
Compensated absences payable		72,628
Capital lease obligations		
Claims and litigation payable		
Notes payable		
Pollution remediation obligation		
Bonds payable (include unamortized costs)		
OPEB payable		443,483
Other long-term liabilities		
Total noncurrent liabilities		516,111
Total liabilities		566,732

DEFERRED INFLOWS OF RESOURCES

Accumulated increase in fair value of hedging derivatives	\$	
Deferred amounts related to service concession arrangement		
Deferred amounts of debt refunding		
Adjustments of capital lease obligations		
Grants received prior to meeting time requirements		
Property taxes received before the period of which the taxes were levied		
Fines and penalties received in advance of meeting time requirements		
Sales/intra-entity transfers of future revenues (transferor)		
Gains from sale-leaseback transactions		
Points received on loan origination		
Loan origination fees received for mortgage loans held for sale		
Total deferred inflows of resources		-

NET POSITION

Net investment in capital assets		43,485
Restricted for:		
Capital projects		
Debt service		
Unemployment compensation		
Other specific purposes		
Unrestricted		1,474,213
Total net position		1,517,698
Total liabilities, deferred inflows of resources, and net position	\$	2,084,430

The accompanying notes are an integral part of this financial statement.

STATE OF LOUISIANA
LOUISIANA STATE BOARD OF PRACTICAL NURSE EXAMINERS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2014

Statement B

OPERATING REVENUE	
Sales of commodities and services	\$ 11,062
Assessments	98,440
Use of money and property	
Licenses, permits, and fees	1,609,910
Federal grants and contracts	
State, local and nongovernmental grants and contracts	
Other	243
Total operating revenues	1,719,655
OPERATING EXPENSES	
Cost of sales and services	1,608,593
Administrative	
Depreciation	16,277
Amortization	
Total operating expenses	1,624,870
Operating income(loss)	94,785
NON-OPERATING REVENUES (EXPENSES)	
State appropriations	
Intergovernmental revenues(expenses)	
Taxes	
Use of money and property	7,450
Gain on disposal of fixed assets	
Loss on disposal of fixed assets	
Federal grants	
Interest expense	
Other revenue	
Other expense	
Total non-operating revenues(expenses)	7,450
Income(loss) before contributions, extraordinary items, & transfers	102,235
Capital contributions	
Extraordinary item	
Transfers in	
Transfers out	
Change in net position	102,235
Total net position – beginning	1,415,463
Total net position – ending	\$ 1,517,698

The accompanying notes are an integral part of this financial statement.

**STATE OF LOUISIANA
LOUISIANA STATE BOARD OF PRACTICAL NURSE EXAMINERS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2014**

Statement C

	Program Revenues				Net (Expense)
		Charges for	Operating	Capital	Revenue and
	Expenses	Services	Grants and	Grants and	Changes in
			Contributions	Contributions	Net Position
Entity	\$ 1,624,870	\$ 1,719,412	\$	\$	\$ 94,542
General revenues:					
Taxes					
State appropriations					
Grants and contributions not restricted to specific programs					
Interest					7,450
Miscellaneous					243
Special items					
Extraordinary item					
Transfers					
Total general revenues, special items, and transfers					7,693
Change in net assets					102,235
Net position - beginning as restated					1,415,463
Net position - ending					\$ 1,517,698

The accompanying notes are an integral part of this statement.

STATE OF LOUISIANA
LOUISIANA STATE BOARD OF PRACTICAL NURSE EXAMINERS
STATEMENT OF CASH FLOWS (Continued)
FOR THE YEAR ENDED JUNE 30, 2014

Statement D

Cash flows from operating activities

Cash receipts from customers	\$ 1,719,655	
Cash receipts from grants and contracts		
Cash receipts from interfund services provided		
Other operating cash receipts, if any		
Cash payments to suppliers for goods or services	(399,504)	
Cash payments to employees for services	(1,138,487)	
Cash payments for interfund services used, including payments "In Lieu of Taxes"		
Other operating cash payments, if any (* provide explanation)		
Net cash provided(used) by operating activities		181,664

Cash flows from non-capital financing activities

State Appropriations		
Federal receipts		
Federal disbursements		
Proceeds from sale of bonds		
Principal paid on bonds		
Interest paid on bond maturities		
Proceeds from issuance of notes payable		
Principal paid on notes payable		
Interest paid on notes payable		
Operating grants received		
Transfers in		
Transfers out		
Other (**provide explanation)		
Net cash provided(used) by non-capital financing activities		-

Cash flows from capital and related financing activities

Proceeds from sale of bonds		
Principal paid on bonds		
Interest paid on bond maturities		
Proceeds from issuance of notes payable		
Principal paid on notes payable		
Interest paid on notes payable		
Acquisition/construction of capital assets		
Proceeds from sale of capital assets		
Capital contributions		
Deposits with trustees		
Deferred proceeds from capital leases		
Net cash provided(used) by capital and related financing activities		-

Cash flows from investing activities

Purchases of investment securities	(2,696,353)	
Proceeds from sale of investment securities	2,546,203	
Interest and dividends earned on investment securities	5,953	
Net cash provided(used) by investing activities		(144,197)

Net increase(decrease) in cash and cash equivalents 37,467

Cash and cash equivalents at beginning of year 167,732

Cash and cash equivalents at end of year \$ 205,199

STATE OF LOUISIANA
LOUISIANA STATE BOARD OF PRACTICAL NURSE EXAMINERS
STATEMENT OF CASH FLOWS (Concluded)
FOR THE YEAR ENDED JUNE 30, 2014

Statement D

Reconciliation of operating income(loss) to net cash provided(used) by operating activities:

Operating income(loss)		\$ <u>94,785</u>
Adjustments to reconcile operating income(loss) to net cash provided(used) by operating activities:		
Depreciation/amortization	<u>16,277</u>	
Provision for uncollectible accounts	<u></u>	
Other	<u></u>	
Changes in assets and liabilities:		
(Increase)decrease in accounts receivable, net	<u></u>	
(Increase)decrease in due from other funds	<u></u>	
(Increase)decrease in prepayments	<u></u>	
(Increase)decrease in inventories	<u></u>	
(Increase)decrease in other assets	<u></u>	
Increase(decrease) in accounts payable and accruals	<u>9,390</u>	
Increase(decrease) in compensated absences payable	<u>13,140</u>	
Increase(decrease) in due to other funds	<u></u>	
Increase(decrease) in deferred revenues	<u></u>	
Increase(decrease) in OPEB payable	<u>48,072</u>	
Increase(decrease) in other liabilities	<u></u>	
Net cash provided(used) by operating activities		\$ <u>181,664</u>

Schedule of noncash investing, capital, and financing activities:

Borrowing under capital lease(s)	\$ <u></u>
Contributions of fixed assets	<u></u>
Purchases of equipment on account	<u></u>
Asset trade-ins	<u></u>
Other (specify)	<u></u>
	<u></u>
	<u></u>
	<u></u>
Total noncash investing, capital, and financing activities:	\$ <u>-</u>

The accompanying notes are an integral part of this statement.

STATE OF LOUISIANA
LOUISIANA STATE BOARD OF PRACTICAL NURSE EXAMINERS
Notes to the Financial Statement
As of and for the year ended June 30, 2014

INTRODUCTION

The Louisiana State Board of Practical Nurse Examiners was created by the Louisiana State Legislature under the provisions of Louisiana Revised Statute 37:962. The following is a brief description of the operations of the Louisiana State Board of Practical Nurse Examiners and includes the parish/parishes in which the Louisiana State Board of Practical Nurse Examiners is located: Jefferson Parish, Louisiana

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING

In April of 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. The GASB has issued a Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification). This codification and subsequent GASB pronouncements are recognized as generally accepted accounting principles for state and local governments. The accompanying financial statements have been prepared in accordance with such principles.

The accompanying financial statements of the Louisiana State Board of Practical Nurse Examiners present information only as to the transactions of the programs of the Louisiana State Board of Practical Nurse Examiners as authorized by Louisiana statutes and administrative regulations.

Basis of accounting refers to when revenues and expenses are recognized and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The accounts of the Louisiana State Board of Practical Nurse Examiners are maintained in accordance with applicable statutory provisions and the regulations of the Division of Administration – Office of Statewide Reporting and Accounting Policy as follows:

Revenue Recognition

Revenues are recognized using the full accrual basis of accounting; therefore, revenues are recognized in the accounting period in which they are earned and become measurable.

Expense Recognition

Expenses are recognized on the accrual basis; therefore, expenses, including salaries, are recognized in the period incurred, if measurable.

STATE OF LOUISIANA
LOUISIANA STATE BOARD OF PRACTICAL NURSE EXAMINERS
Notes to the Financial Statement
As of and for the year ended June 30, 2014

B. BUDGETARY ACCOUNTING

The appropriations made for the operations of the various programs of the Louisiana State Board of Practical Nurse Examiners are annual lapsing appropriations.

1. The budgetary process is an annual appropriation valid for one year.
2. The agency is prohibited by statute from over expending the categories established in the budget.
3. Budget revisions are granted by the Joint Legislative Committee on the Budget, a committee of the Louisiana Legislature. Interim emergency appropriations may be granted by the Interim Emergency Board.
4. The budgetary information included in the financial statements includes the original appropriation plus subsequent amendments as follows:

	APPROPRIATIONS
Original approved budget	\$ <u>(212,288)</u>
Amendments:	<u>220,127</u>
	<u> </u>
	<u> </u>
Final approved budget	\$ <u><u>7,839</u></u>

C. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS

1. DEPOSITS WITH FINANCIAL INSTITUTIONS

For reporting purposes, deposits with financial institutions include savings, demand deposits, time deposits, and certificates of deposit. Under state law the Louisiana State Board of Practical Nurse Examiners may deposit funds within a fiscal agent bank selected and designated by the Interim Emergency Board. Further, the Louisiana State Board of Practical Nurse Examiners may invest in time certificates of deposit in any bank domiciled or having a branch office in the state of Louisiana, in savings accounts or shares of savings and loan associations and savings banks, and in share accounts and share certificate accounts of federally or state chartered credit unions.

For the purpose of the statement of cash flows and statement of net position presentation, all highly liquid investments (including negotiable CDs and restricted cash and cash equivalents) and deposits (including nonnegotiable CDs and restricted cash and cash equivalents) with a maturity of three months or less when purchased are considered to be cash equivalents.

STATE OF LOUISIANA
LOUISIANA STATE BOARD OF PRACTICAL NURSE EXAMINERS
Notes to the Financial Statement
As of and for the year ended June 30, 2014

Deposits in bank accounts are stated at cost, which approximates market. Under state law these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These pledged securities are required to be held in the name of the pledging fiscal agent bank in a holding or custodial bank in the form of safekeeping receipts held by the State Treasurer.

The deposits at June 30, 2014 consisted of the following:

	Cash	Nonnegotiable Certificates of Deposit	Other (Describe)	Total
Deposits per statement of net position (Reconciled bank balance)	\$ 205,199	\$ 1,831,986	\$	\$ 2,037,185
Deposits in bank accounts per bank	\$ 244,302	\$ 1,831,986	\$	\$ 2,076,287
Bank balances exposed to custodial credit risk:	\$	\$	\$	\$
a. Uninsured and uncollateralized				
b. Uninsured and collateralized with securities held by the pledging institution				
c. Uninsured and collateralized with securities held by the pledging institution's trust department or agent, but not in the entity's name		69,116		69,116

STATE OF LOUISIANA
LOUISIANA STATE BOARD OF PRACTICAL NURSE EXAMINERS
Notes to the Financial Statement
As of and for the year ended June 30, 2014

The following is a breakdown by banking institution, program, and amount of the “Deposits in bank accounts per bank” balances shown above:

<u>Banking Institution</u>	<u>Program</u>	<u>Amount</u>
1. <u>Bank of New Orleans</u>	<u>Licensing-#660101304</u>	<u>103,935</u>
2. <u>State-Investors Bank</u>	<u>Licensing-#420041814</u>	<u>200,540</u>
3. <u>First Bank and Trust</u>	<u>Licensing-#500005840</u>	<u>150,487</u>
4. <u>First NBC Bank</u>	<u>Licensing-#23883</u>	<u>106,739</u>
5. <u>Bank of New Orleans</u>	<u>Licensing-#660101056</u>	<u>104,231</u>
6. <u>Fifth District Savings Bank</u>	<u>Licensing-#7008700614</u>	<u>250,000</u>
7. <u>Hibernia Bank</u>	<u>Licensing-#30000303666</u>	<u>200,000</u>
8. <u>First NBC Bank</u>	<u>Licensing-#16971</u>	<u>107,981</u>
9. <u>Gulf Coast Bank and Trust Co.</u>	<u>Licensing-#161162</u>	<u>200,852</u>
10 <u>First Bank and Trust</u>	<u>Licensing-#500005866</u>	<u>100,325</u>
11 <u>First NBC Bank</u>	<u>Licensing-#A26161</u>	<u>104,396</u>
12 <u>LA Capital Federal Credit Union</u>	<u>Licensing-#9844</u>	<u>202,500</u>
Total		\$ <u>1,831,986</u>

Cash in State Treasury and petty cash are not required to be reported in the note disclosure. However, to aid in reconciling amounts reported on the statement of net position to amounts reported in this note, list below any cash in treasury and petty cash that are included on the statement of net position.

Cash in state treasury	\$	<u> </u>
Petty cash	\$	<u> 25 </u>

2. INVESTMENTS

The Louisiana State Board of Practical Nurse Examiners maintains investment accounts as authorized by Louisiana Revised Statute 33:2955.

Custodial Credit Risk

Investments can be exposed to custodial credit risk if the securities underlying the investment are uninsured, not registered in the name of the entity, and are either held by the counterparty or held by the counterparty’s trust department or agent, but not in the entity’s name. Repurchase agreements are not subject to credit risk if the securities underlying the repurchase agreement are exempt from credit risk disclosure. Using the following table,

STATE OF LOUISIANA
LOUISIANA STATE BOARD OF PRACTICAL NURSE EXAMINERS
Notes to the Financial Statement
As of and for the year ended June 30, 2014

list each type of investment disclosing the total carrying amounts and market values, and any amounts exposed to custodial credit risk.

Type of Investment	Investments Exposed to Custodial Credit Risk		All Investments Regardless of Custodial Credit Risk Exposure	
	Uninsured, *Unregistered, and Held by Counterparty	Uninsured, *Unregistered, and Held by Counterparty's Trust Dept. or Agent Not in Entity's Name	Reported Amount Per Statement of Net Position	Fair Value
Negotiable CDs	\$ _____	\$ _____	\$ _____	\$ _____
Repurchase agreements	_____	_____	_____	_____
U.S. Government Obligations **	_____	_____	_____	_____
U.S. Agency Obligations***	_____	_____	_____	_____
Common & preferred stock	_____	_____	_____	_____
Mortgages (including CMOs & MBSs)	_____	_____	_____	_____
Corporate bonds	_____	_____	_____	_____
Mutual funds	_____	_____	_____	_____
Real estate	_____	_____	_____	_____
External Investment Pool (LAMP) ****	_____	_____	_____	_____
External Investment Pool (Other)	_____	_____	_____	_____
Other: (identify)	_____	_____	_____	_____
	_____	_____	_____	_____
	_____	_____	_____	_____
	_____	_____	_____	_____
	_____	_____	_____	_____
Total investments	\$ _____ - \$ _____	\$ _____ - \$ _____	\$ _____ - \$ _____	\$ _____ - \$ _____

* Unregistered - not registered in the name of the government or entity

** These obligations generally are not exposed to custodial credit risk because they are backed by the full faith and credit of the U.S. government. (See Appendices Packet, Appendix A, at <http://www.doa.louisiana.gov/OSRAP/afrpackets.htm> for the definition of US Government Obligations)

*** These obligations may not be exposed to custodial credit risk (See Appendix A in the Appendices Packet for a discussion of FNMA & FHLMC)

**** LAMP investments should not be included in deposits AND should be identified separately in this table to ensure LAMP investments are not double-counted on the State level.

STATE OF LOUISIANA
LOUISIANA STATE BOARD OF PRACTICAL NURSE EXAMINERS
Notes to the Financial Statement
As of and for the year ended June 30, 2014

3. CREDIT RISK, INTEREST RATE RISK, CONCENTRATION OF CREDIT RISK, AND FOREIGN CURRENCY RISK DISCLOSURES

The Louisiana State Board of Practical Nurse Examiners does not have any credit risk, interest rate risk, concentration of credit risk or foreign currency risk disclosures.

4. DERIVATIVES (GASB 53)

The Louisiana State Board of Practical Nurse Examiners does not invest in derivatives as part of its investment policy.

D. CAPITAL ASSETS – INCLUDING CAPITAL LEASE ASSETS

The fixed assets used in the Louisiana State Board of Practical Nurse Examiners are included on the statement of net position of the entity and are capitalized at cost. Depreciation of all exhaustible fixed assets used by the entity is charged as an expense against operations. Depreciation for financial reporting purposes is computed by the straight line method over the useful lives of the assets.

STATE OF LOUISIANA
LOUISIANA STATE BOARD OF PRACTICAL NURSE EXAMINERS
Notes to the Financial Statement
As of and for the year ended June 30, 2014

Schedule of Capital Assets (includes capital leases)

<u>Agency</u>	Balance 6/30/2013	Prior Period Adjustments	Restated Balance 6/30/2013	Additions	* Reclassifi- cation of CIP	** Retirements	Balance 6/30/2014
Capital assets not depreciated:							
Land	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Non-depreciable land improvements	-	-	-	-	-	-	-
Non-depreciable easements	-	-	-	-	-	-	-
Capitalized collections	-	-	-	-	-	-	-
Software - development in progress	-	-	-	-	-	-	-
Construction in progress	-	-	-	-	-	-	-
Total capital assets not depreciated	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other capital assets:							
Depreciable land improvements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
** Accumulated depreciation	-	-	-	-	-	-	-
Total land improvements	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-
** Accumulated depreciation	-	-	-	-	-	-	-
Total buildings	-	-	-	-	-	-	-
Machinery & equipment	185,387	-	185,387	-	-	-	185,387
** Accumulated depreciation	(125,625)	-	(125,625)	(16,277)	-	-	(141,902)
Total machinery & equipment	59,762	-	59,762	(16,277)	-	-	43,485
Infrastructure	-	-	-	-	-	-	-
** Accumulated depreciation	-	-	-	-	-	-	-
Total infrastructure	-	-	-	-	-	-	-
Software (internally generated & purchased)	19,410	-	19,410	-	-	-	19,410
Other intangibles	-	-	-	-	-	-	-
** Accumulated amortization - software	(19,410)	-	(19,410)	-	-	-	(19,410)
** Accumulated amortization - other intangibles	-	-	-	-	-	-	-
Total intangibles	-	-	-	-	-	-	-
Total other capital assets	\$ 59,762	\$ -	\$ 59,762	\$ (16,277)	\$ -	\$ -	\$ 43,485
Capital asset summary:							
Capital assets not depreciated	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other capital assets, book value	204,797	-	204,797	-	-	-	204,797
Total cost of capital assets	204,797	-	204,797	-	-	-	204,797
Accumulated depreciation/amortization	(145,035)	-	(145,035)	(16,277)	-	-	(161,312)
Capital assets, net	\$ 59,762	\$ -	\$ 59,762	\$ (16,277)	\$ -	\$ -	\$ 43,485

* Should only be used for those completed projects coming out of construction-in-progress to capital assets.

** Enter a negative number except for accumulated depreciation in the retirement column

STATE OF LOUISIANA
Louisiana State Board of Practical Nurse Examiners
Notes to the Financial Statement
As of and for the year ended June 30, 2014

E. INVENTORIES

The Louisiana State Board of Practical Nurse Examiners did not maintain inventories at June 30, 2014.

F. RESTRICTED ASSETS

The Louisiana State Board of Practical Nurse Examiners did not have any restricted assets at June 30, 2014.

G. LEAVE

1. COMPENSATED ABSENCES

The Louisiana State Board of Practical Nurse Examiners has the following policy on annual and sick leave:

Employees earn and accumulate annual and sick leave at various rates depending on their years of service. The amount of annual and sick leave that may be accumulated by each employee is unlimited. Upon termination, employees or their heirs are compensated for up to 300 hours of unused annual leave at the employee's hourly rate of pay at the time of termination. Upon retirement, unused annual leave in excess of 300 hours plus unused sick leave is used to compute retirement benefits.

The cost of leave privileges, computed in accordance with GASB Codification Section C60, is recognized as a current year expenditure in the fund when leave is actually taken; it is recognized in the enterprise funds when the leave is earned. The cost of leave privileges applicable to general government operations not requiring current resources is recorded in long-term obligations.

2. COMPENSATORY LEAVE

Employees who are considered having non-exempt status according to the guidelines contained in the Fair Labor Standards Act may be paid for compensatory leave earned (K-time). Upon termination or transfer, an employee will be paid for any time and one-half compensatory leave earned and may or may not be paid for any straight hour-for-hour compensatory leave earned. Compensation paid will be based on the employees' hourly rate of pay at termination or transfer. The liability for accrued payable compensatory leave at June 30, 2014 computed in accordance with the Codification of Governmental Accounting and Financial Reporting Standards, Section C60.105 is estimated to be \$-0-.

H. RETIREMENT SYSTEM

Substantially all of the employees of the Louisiana State Board of Practical Nurse Examiners are members of the Louisiana State Employees Retirement System (LASERS), a single employer defined benefit pension plan. The System is a statewide public employee retirement system (PERS) for the benefit of state employees, which is administered and controlled by a separate board of trustees.

STATE OF LOUISIANA
Louisiana State Board of Practical Nurse Examiners
Notes to the Financial Statement
As of and for the year ended June 30, 2014

All full-time Louisiana State Board of Practical Nurse Examiners' employees are eligible to participate in the System unless they elect to continue as a contributing member in any other retirement system for which they remain eligible for membership. Certain elected officials and officials appointed by the governor may, at their option, become members of LASERS. Normal benefits vest with 10 years of service. Generally, retirement age employees are entitled to annual benefits equal to \$300 plus 2.5% of their highest consecutive 36 months' average salary multiplied by their years of credited service except for members eligible to begin participation in the Defined Benefit Plan (DBP) on or after July 1, 2006. Act 75 of the 2005 Regular Session changes retirement eligibility and final average compensation for members who are eligible to begin participation in the DBP beginning July 1, 2006. Retirement eligibility for these members is limited to age 60, or thereafter, upon attainment of ten years of creditable service. Final average compensation will be based on the member's average annual earned compensation for the highest 60 consecutive months of employment.

Vested employees eligible to begin participation in the DBP before July 1, 2006, are entitled to a retirement benefit, payable monthly for life at (a) any age with 30 years of service, (b) age 55 with 25 years of service, or (c) age 60 with 10 years of service. In addition, these vested employees have the option of reduced benefits at any age with 20 years of service. Those hired on or after July 1, 2006 have only a single age option. They cannot retire until age 60 with a minimum of 10 years of service. The System also provides death and disability benefits and deferred benefit options, with qualifications and amounts defined by statute. Benefits are established or amended by state statute. The System issues a publicly available annual financial report that includes financial statements and required supplementary information for the System. For a full description of the LASERS defined benefit plan, please refer to the LASERS 2013 Financial Statements, specifically, footnotes A – Plan Description and C – Contributions. A copy of the report may be obtained by writing to the Louisiana State Employees Retirement System, Post Office Box 44213, Baton Rouge, Louisiana 70804-4213, or by calling (225) 922-0600 or (800) 256-3000. The footnotes to the Financial Statements contain additional details and are also available on-line at:

http://www.lasersonline.org/uploads/CAFR_2013.pdf

All members are required by state statute to contribute with the vast majority of employees of the state who became members before July 1, 2006 contributing 7.5% of gross salary. Act 75 of the 2005 Regular Session increases the member contribution rate from 7.5% to 8% for new members hired after June 30, 2006. The Louisiana State Board of Practical Nurse Examiners is required to contribute at an actuarially determined rate as required by R.S. 11:102. The contribution rate for the fiscal year ended June 30, 2014 increased to 31.3% of annual covered payroll from the 29.1% and 25.6% required in fiscal years ended June 30, 2013 and 2012 respectively. The Louisiana State Board of Practical Nurse Examiners' contributions to the System for the years ending June 30, 2014, 2013, and 2012, were \$216,198, \$185,198, and \$181,900, respectively, equal to the required contributions for each year.

STATE OF LOUISIANA
Louisiana State Board of Practical Nurse Examiners
Notes to the Financial Statement
As of and for the year ended June 30, 2014

I. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

GASB Statement 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans* addresses accounting and financial reporting for OPEB trust and agency funds of the employer. GASB Statement 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions* establishes standards of accounting and financial reporting for OPEB expense/expenditures and related OPEB liabilities or OPEB assets, note disclosures, and required supplementary information (RSI) in the financial reports of governmental employers. See the GASB Statement 45 note disclosures requirements in section 2 of this note.

1. Calculation of Net OPEB Obligation

	Annual OPEB expense and net OPEB Obligation	6/30/2014
Fiscal year ending		
1. * ARC		\$80,400.0
2. * Interest on NOO		\$15,800.0
3. * ARC adjustment		(\$15,100.0)
4. * Annual OPEB Expense (1. + 2. - 3.)		\$81,100.0
5. Contributions (employer pmts. to OGB for retirees' cost of 2014 insurance premiums)		\$33,028.0
6. Increase in Net OPEB Obligation (4. - 5.)		\$48,072.0
7. *NOO, beginning of year (see actuarial valuation report on OSRAP's website)		395411
8. **NOO, end of year (6. + 7.)		<u>\$443,483.0</u>

*This

must be obtained from the OSRAP website on the spreadsheet "GASB 45 OPEB Valuation Report as of July 1, 2013, to be used for fiscal year ending June 30, 2014."

**This should be the same amount as that shown on the statement of net position for the year ended June 30, 2014 if your entity's only OPEB is administered by OGB.

J. LEASES

OPERATING LEASES

The total payments for operating leases during fiscal year 2014 amounted to \$106,482. A schedule of payments for operating leases follows:

K. LONG-TERM LIABILITIES

Nature of lease	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020-2024	FY 2025-2029
Office Space	\$ 102,906	\$ 102,906	\$ 102,906	102,906	84,897	\$	\$
Equipment							
Land							
Other							
Total	<u>\$ 102,906</u>	<u>\$ 102,906</u>	<u>\$ 102,906</u>	<u>\$ 102,906</u>	<u>\$ 84,897</u>	<u>\$ -</u>	<u>\$ -</u>

STATE OF LOUISIANA
Louisiana State Board of Practical Nurse Examiners
Notes to the Financial Statement
As of and for the year ended June 30, 2014

The following is a summary of long-term debt transactions of the entity for the year ended June 30, 2014:

	Year ended June 30, 2014			Amounts due within one year
	Balance June 30, 2013	Additions	Reductions	Balance June 30, 2014
Notes and bonds payable:				
Notes payable	\$	\$	\$	\$ -
Bonds payable				-
Total notes and bonds	-	-	-	-
Other liabilities:				
Contracts payable				-
Compensated absences payable	59,488	48,020	34,880	72,628
Capital lease obligations				-
Claims and litigation				-
Pollution remediation obligation				-
OPEB payable	395,411	81,100	33,028	443,483
Other long-term liabilities				-
Total other liabilities	454,899	129,120	67,908	516,111
Total long-term liabilities	\$ 454,899	\$ 129,120	\$ 67,908	\$ 516,111

L. CONTINGENT LIABILITIES

The Louisiana State Board of Practical Nurse Examiners was not a defendant in litigation seeking damages at June 30, 2014

M. RELATED PARTY TRANSACTIONS

The Louisiana State Board of Practical Nurse Examiners did not engage in any related party transactions during the year ended June 30, 2014.

N. ACCOUNTING CHANGES

There were no accounting changes made during the year ended June 30, 2014.

O. IN-KIND CONTRIBUTIONS

The Louisiana State Board of Practical Nurse Examiners did not have any in-kind contributions during the year ended June 30, 2014.

P. DEFEASED ISSUES

The Louisiana State Board of Practical Nurse Examiners did not have any defeased issues of taxable bonds during the year ended June 30, 2014.

STATE OF LOUISIANA
Louisiana State Board of Practical Nurse Examiners
Notes to the Financial Statement
As of and for the year ended June 30, 2014

Q. REVENUES – PLEDGED OR SOLD (GASB 48)

The Louisiana State Board of Practical Nurse Examiners did not have any pledged or sold revenues at June 30, 2014.

R. GOVERNMENT-MANDATED NONEXCHANGE TRANSACTIONS (GRANTS)

The Louisiana State Board of Practical Nurse Examiners did not engage in any government-mandated nonexchange transactions (grants) during fiscal year 2013-2014:

CFDA Number	Program Name	State Match Percentage	Total Amount of Grant
			\$
Total government-mandated nonexchange transactions (grants)			\$ -

S. VIOLATIONS OF FINANCE-RELATED LEGAL OR CONTRACTUAL PROVISIONS

At June 30, 2014, the Louisiana State Board of Practical Nurse Examiners was not in violation of any of the Bond Reserve Covenants.

T. SHORT-TERM DEBT

The Louisiana State Board of Practical Nurse Examiners did not have any issues of short-term debt for the year ended June 30, 2014.

U. DISAGGREGATION OF RECEIVABLE BALANCES

Receivables at June 30, 2014 were as follows:

Fund (gen. fund, gas tax fund, etc.)	Customer Receivables	Taxes	Receivables from other Governments	Other Receivables	Total Receivables
Licensing-General Fund	\$	\$	\$	\$ 3,760	\$ 3,760
Gross receivables	\$ -	\$ -	\$ -	\$ 3,760	\$ 3,760
Less allowance for uncollectible accounts					
Receivables, net	\$ -	\$ -	\$ -	\$ 3,760	\$ 3,760
Amounts not scheduled for collection during the subsequent year	\$	\$	\$	\$	\$ -

V. DISAGGREGATION OF PAYABLE BALANCES

Payables at June 30, 2014 were as follows:

STATE OF LOUISIANA
Louisiana State Board of Practical Nurse Examiners
Notes to the Financial Statement
As of and for the year ended June 30, 2014

<u>Fund</u>	<u>Vendors</u>	<u>Salaries and Benefits</u>	<u>Accrued Interest</u>	<u>Other Payables</u>	<u>Total Payables</u>
Licensing-General Fund	\$ 25,077	\$ 25,544	\$	\$	\$ 50,621
					-
Total payables	\$ 25,077	\$ 25,544	\$ -	\$ -	\$ 50,621

W. SUBSEQUENT EVENTS

There were no material events affecting the Louisiana State Board of Practical Nurse Examiners occurring between the close of the fiscal period and issuance of the financial statements.

X. SEGMENT INFORMATION & REPORTING FUNDS OF A BLENDED COMPONENT UNIT

The Louisiana State Board of Practical Nurse Examiners does not have any activities which would qualify for segment reporting.

	<u>Segment/Blended C.U. #1</u>	<u>Segment/Blended C.U. #2</u>
Net cash provided (used) by operating activities	\$	\$
Net cash provided (used) by noncapital financing activities		
Net cash provided (used) by capital and related financing activities		
Net cash provided (used) by investing activities		
Beginning cash and cash equivalent balances		

Y. DUE TO/DUE FROM AND TRANSFERS

1. The Louisiana State Board of Practical Nurse Examiners did not have any amounts due from other funds at June 30, 2014.

<u>Type of Fund</u>	<u>Name of Fund</u>	<u>Amount</u>
		\$
Total due from other funds		\$

2. The Louisiana State Board of Practical Nurse Examiners did not have any amounts due to other funds at June 30, 2014.

<u>Type of Fund</u>	<u>Name of Fund</u>	<u>Amount</u>
		\$
Total due to other funds		\$

STATE OF LOUISIANA
Louisiana State Board of Practical Nurse Examiners
Notes to the Financial Statement
As of and for the year ended June 30, 2014

3. The Louisiana State Board of Practical Nurse Examiners did not have any transfers from other funds for the year ended June 30, 2014.

<u>Type of Fund</u>	<u>Name of Fund</u>	<u>Amount</u>
_____	_____	\$ _____
_____	_____	_____
_____	_____	_____
Total transfers from other funds		\$ <u> </u>

4. The Louisiana State Board of Practical Nurse Examiners did not have any transfers to other funds for the year ended June 30, 2014.

<u>Type of Fund</u>	<u>Name of Fund</u>	<u>Amount</u>
_____	_____	\$ _____
_____	_____	_____
_____	_____	_____
Total transfers to other funds		\$ <u> </u>

Z. LIABILITIES PAYABLE FROM RESTRICTED ASSETS

The Louisiana State Board of Practical Nurse Examiners did not have any liabilities payable from restricted assets at June 30, 2014.

AA. PRIOR-YEAR RESTATEMENT OF NET POSITION

There were no adjustments were made to restate beginning net position for June 30, 2014.

BB. ASSETS RESTRICTED BY ENABLING LEGISLATION (GASB 46)

Of the total assets reported on Statement A at June 30, 2014, there were no assets restricted by enabling legislation.

CC. IMPAIRMENT OF CAPITAL ASSETS & INSURANCE RECOVERIES

There were no capital assets that were considered impaired at June 30, 2014.

<u>Type of asset</u>	<u>Carrying Value of Idle Impaired Assets</u>	<u>Reason for Impairment</u>
Buildings - permanently impaired	\$ _____	_____
Buildings - temporarily impaired	_____	_____
Movable Property - permanently impaired	_____	_____
Movable Property - temporarily impaired	_____	_____
Infrastructure - permanently impaired	_____	_____
Infrastructure - temporarily impaired	_____	_____

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STATE OF LOUISIANA
Louisiana State Board of Practical Nurse Examiners
Notes to the Financial Statement
As of and for the year ended June 30, 2014

DD. EMPLOYEE TERMINATION BENEFITS

Substantially all employees are eligible for termination benefits upon separation from the State. The Louisiana State Board of Practical Nurse Examiners recognizes the cost of providing termination benefits as expenditures when paid during the year. For the year ended June 30, 2014, the cost of providing those benefits for -0- terminations totaled \$-0-.

The liability for the accrued terminations benefits payable at June 30, 2014 is \$-0-. This liability consists of -0- terminations.

A terminated employee can continue to access health benefits, however, if the COBRA participant is paying the ENTIRE premium then there is no state contribution on behalf of this individual. Therefore, when a terminated employee pays 100% of the premium, the state would not have a termination liability.

EE. POLLUTION REMEDIATION OBLIGATIONS

The Louisiana State Board of Practical Nurse Examiners had no pollution remediation obligations at June 30, 2014.

FF. AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA)

The Louisiana State Board of Practical Nurse Examiners did not receive any ARRA revenue in FY 2014.

The Louisiana State Board of Practical Nurse Examiners did not have any ARRA expenses in FY 2014.

GG. RESTRICTED ASSETS – OTHER SPECIFIC PURPOSES

The Louisiana State Board of Practical Nurse Examiners did not have any restricted net assets for other specific purposes at June 30, 2014.

	<u>Restricted Assets</u>
Conservation and Environment	\$ _____
Corrections	_____
Culture, Recreation, and Tourism	_____
Education	_____
General Government	_____
Health and Welfare	_____
Public Safety	_____
Transportation and Development	_____
Youth Services	_____

Total \$ _____ -

STATE OF LOUISIANA
Louisiana State Board of Practical Nurse Examiners
Notes to the Financial Statement
As of and for the year ended June 30, 2014

HH. SERVICE CONCESSION ARRANGEMENTS

The Louisiana State Board of Practical Nurse Examiners did not have any service concession arrangements (SCAs) during the year ended June 30, 2014.

**STATE OF LOUISIANA
LOUISIANA STATE BOARD OF PRACTICAL NURSE EXAMINERS
SCHEDULE OF PER DIEM PAID TO BOARD MEMBERS
JUNE 30, 2014**

Name	Amount
<u>M. Kaleem Arshad, M.D.</u>	\$ <u>300</u>
<u>Brent Campanella, M.D.</u>	<u>300</u>
<u>Ruby R. Chancellor, L.P.N.</u>	<u>0</u>
<u>Myron Collins, L.P.N.</u>	<u>15,458</u>
<u>Roberta Connelley, R.N.</u>	<u>675</u>
<u>Kellie Daigre, L.P.N.</u>	<u>75</u>
<u>Gwendolyn Dunn, L.P.N.</u>	<u>450</u>
<u>Bobby Fulmer, M.D.</u>	<u>150</u>
<u>Patricia Juneau, R.N.</u>	<u>0</u>
<u>Candace Melancon, L.P.N.</u>	<u>300</u>
<u>Alberta Prince, L.P.N.</u>	<u>450</u>
<u>Kennison Roy, M.D.</u>	<u>225</u>
<u>Mohammad Suleman, M.D.</u>	<u>300</u>
<u>Andrew Morson, M.D.</u>	<u>75</u>
<u>Barbara Gibbs, R.N.</u>	<u>150</u>
 Total	 \$ <u><u>18,908</u></u>

The schedule of per diem payments to Board Members is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Legislature. As authorized by Louisiana Revised Statute 32:772, each member of the Board shall be reimbursed when actually in attendance at a board meeting or when required to travel for the official authorized business of the Board, and such reimbursement shall not exceed \$75.00 per day.

**SCHEDULE 5
STATE OF LOUISIANA**

LOUISIANA STATE BOARD OF PRACTICAL NURSE EXAMINERS

COMPARISON FIGURES

To assist OSRAP in determining the reason for the change in financial position for the State, please complete the schedule below. If the change is greater than **\$5 million**, explain the reason for the change.

	<u>2014</u>	<u>2013</u>	<u>Difference</u>	<u>Percentage Change</u>
1) Revenues	\$ <u>1,727,105</u>	\$ <u>1,704,945</u>	\$ <u>22,160</u>	<u>1.30%</u>
Expenses	<u>1,624,870</u>	<u>1,446,931</u>	<u>177,939</u>	<u>12.30%</u>
2) Capital assets	<u>43,485</u>	<u>59,762</u>	<u>(16,277)</u>	<u>(27.24%)</u>
Long-term debt	<u>516,111</u>	<u>454,899</u>	<u>61,212</u>	<u>13.46%</u>
Net position	<u>1,517,698</u>	<u>1,415,463</u>	<u>102,235</u>	<u>7.22%</u>
Explanation for change:	<hr/> <hr/> <hr/> <hr/>			